

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF NORTH CAROLINA
WESTERN DIVISION

NO. 5:19-CR-220-1D
NO. 5:19-CR-220-2D
NO. 5:19-CR-220-3D
NO. 5:19-CR-220-4D
NO. 5:19-CR-220-5D
NO. 5:19-CR-220-6D
NO. 5:19-CR-220-7D
NO. 5:19-CR-220-8D
NO. 5:19-CR-220-9D
NO. 5:19-CR-220-10D
NO. 5:19-CR-220-11D
NO. 5:19-CR-220-12D
NO. 5:19-CR-220-13D
NO. 5:19-CR-220-14D
NO. 5:19-CR-220-15D
NO. 5:19-CR-220-16D
NO. 5:19-CR-220-17D
NO. 5:19-CR-220-18D
NO. 5:19-CR-220-19D
NO. 5:19-CR-220-20D
NO. 5:19-CR-220-21D

UNITED STATES OF AMERICA)
)
 v.)
)
 SALVADOR IBARRA ESCALANTE)
 a/k/a "Billy Escalante")
 RUTH NAVA-ABARCA)
 FLORENTINO VALENCIA-TEPOZ)
 GREGORIO VAZQUEZ-CASTILLO)
 a/k/a "Jaime Castillo")
 JUAN DE LA CRUZ-GONZALEZ)
 SAMUEL CRUZ)
 MIGUEL GUTIERREZ)
 JAIME LABRA-TOVAR)
 OSCAR UGALDE-ESCALANTE)

S U P E R S E D I N G
I N D I C T M E N T

| | |
|-----------------------------|---|
| HASAN OZVATAN |) |
| EMILIO GOMEZ-GONZALEZ |) |
| JUAN MALDONADO-HERNANDEZ |) |
| GEORGE LUIS MORALES |) |
| TORIBIO ESCALANTE-CAMPOS |) |
| ERIC EVO |) |
| RYAN MERCADO-RODRIGUEZ |) |
| JUAN LOPEZ-POSADA |) |
| RENE ESPINOZA-TORRES |) |
| KELVIN FE ARELLANO-VALENCIA |) |
| DEMETRIO VALENCIA-FLORES |) |
| ALVARO MENDEZ-FLORES |) |

The Grand Jury charges that:

General Allegations

At all times relevant to this Superseding Indictment, the following circumstances pertained:

1. Used cooking oil, historically viewed as a waste product, has become a valuable recycled commodity over the past decade. The majority of the recycled cooking oil sold is used for biofuel, fluctuating with market demand. It can also be used as a nutritional additive to animal feed and pet food, or in the production of many consumer and industrial products.
2. Legitimate businesses, known as licensed grease service providers (hereinafter "renderers"), collect used cooking oil from restaurants in exchange of compensation and sell it to refineries so that it can be processed and recycled. A number of legitimate renderers operate in North Carolina.
3. Because used cooking oil can be sold, restaurants will often contract with a renderer who will buy the used cooking oil. Upon reaching an agreement to buy the

used cooking oil from a restaurant, the renderer will supply that restaurant with a containment drum. As the restaurant uses the cooking oil, they place the spent cooking oil in the containment drum for collection by the renderer. Generally, restaurants keep their used cooking oil in a locked containment drum in their parking lots and hire a renderer to properly remove the used cooking oil.

4. The renderers label these containment drums indicating ownership. Once the renderers collect the used cooking oil, it is then refined for commercial or industrial use, or sold directly to biodiesel producers.

5. The rendering industry estimates that there is an annual loss of approximately \$45-75 million dollars from the theft of used cooking oil. Thieves generally utilize tote tanks to transport the stolen used cooking oil. Tote tanks are containers designed to store and transport liquids. An average tote tank holds 275-300 gallons.

6. The market price for used cooking oil is approximately .25-.28 cents per pound. One (1) gallon of used cooking oil weighs about 7.5 pounds.

7. An average box truck, commonly used to transport stolen used cooking oil, can carry up to four (4) tote tanks. Four (4) tote tanks of used cooking oil (approximately 1,100 gallons or 8,250 pounds) could result in a gross profit of as much as \$2,062.50 (275 gallons x 7.5 pounds per gallon x .25 cents per pound x 4 tote tanks).

8. The average tanker trailer filled with used cooking oil could have a net weight of 48,000-50,000 pounds. The transportation of a tanker trailer to an out-of-state

refinery carrying 48,000 pounds of used cooking oil could result in a gross profit of as much as \$12,000.00 (48,000 pounds x .25 cents per pound).

COUNT ONE

On some date prior to October 14, 2014, the exact date being unknown to the Grand Jury, and continuing thereafter until on or about May 29, 2019, in the Eastern District of North Carolina, and elsewhere, SALVADOR IBARRA ESCALANTE, also known as "Billy Escalante," RUTH NAVA-ABARCA, FLORENTINO VALENCIA-TEPOZ, GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," JUAN DE LA CRUZ-GONZALEZ, SAMUEL CRUZ, MIGUEL GUTIERREZ, JAIME LABRATOVAR, OSCAR UGALDE-ESCALANTE, HASAN OZVATAN, EMILIO GOMEZ-GONZALEZ, JUAN MALDONADO-HERNANDEZ, GEORGE LUIS MORALES, TORIBIO ESCALANTE-CAMPOS, ERIC EVO, RYAN MERCADO-RODRIGUEZ, JUAN LOPEZ-POSADA, RENE ESPINOZA-TORRES, KELVIN FE ARELLANO-VALENCIA, DEMETRIO VALENCIA-FLORES, and ALVARO MENDEZ-FLORES, defendants herein, and others both known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree to commit offenses against the United States, that is, the interstate transportation of stolen goods of a value exceeding \$5,000, in violation of Title 18, United States Code, Section 2314.

Object of the Conspiracy

The object of the conspiracy was to profit from the illicit trade in large quantities of used cooking oil stolen in North Carolina, Virginia, and Tennessee, and transported to New Jersey for sale and distribution.

Manner and Means of the Conspiracy

The conspiracy was carried out by defendants SALVADOR IBARRA ESCALANTE, also known as "Billy Escalante," GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," JUAN DE LA CRUZ-GONZALEZ, SAMUEL CRUZ, MIGUEL GUTIERREZ, JAIME LABRA-TOVAR, OSCAR UGALDE-ESCALANTE, HASAN OZVATAN, EMILIO GOMEZ-GONZALEZ, JUAN MALDONADO-HERNANDEZ, GEORGE LUIS MORALES, TORIBIO ESCALANTE-CAMPOS, ERIC EVO, RYAN MERCADO-RODRIGUEZ, JUAN LOPEZ-POSADA, RENE ESPINOZA-TORRES, KELVIN FE ARELLANO-VALENCIA, DEMETRIO VALENCIA-FLORES, and ALVARO MENDEZ-FLORES, repeatedly traveling to restaurants in North Carolina, Virginia, and Tennessee, in box trucks equipped with tote tanks, pumps, hoses, and burglary tools, for the purpose of stealing large quantities of used cooking oil.

The defendants SALVADOR IBARRA ESCALANTE, also known as "Billy Escalante," RUTH NAVA-ABARCA, FLORENTINO VALENCIA-TEPOZ, GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," JUAN DE LA CRUZ-GONZALEZ, SAMUEL CRUZ, MIGUEL GUTIERREZ, JAIME LABRA-TOVAR, OSCAR UGALDE-ESCALANTE, HASAN OZVATAN, EMILIO GOMEZ-GONZALEZ, JUAN MALDONADO-HERNANDEZ, GEORGE LUIS MORALES, TORIBIO ESCALANTE-CAMPOS, ERIC EVO, RYAN MERCADO-RODRIGUEZ, JUAN LOPEZ-POSADA, RENE ESPINOZA-TORRES, KELVIN FE ARELLANO-VALENCIA, DEMETRIO VALENCIA-FLORES, and ALVARO MENDEZ-FLORES, transported, or

caused to be transported, the stolen used cooking oil in the box trucks to a warehouse in Durham, North Carolina, for consolidation and storage. Thereafter, a tanker trailer was used to transport the consolidated stolen used cooking oil to Virginia and elsewhere.

Overt Acts

1. On or about May 10, 2012, TORIBIO ESCALANTE-CAMPOS opened a business account at Bank of America, doing business as "CH Services LOM Incorporated," located at 4162 U.S. Highway 15 South, FF, Oxford, North Carolina.
2. On or about October 27, 2014, OSCAR UGALDE-ESCALANTE and JUAN DE LA CRUZ-GONZALEZ traveled to McLean's Ole Time Cafe restaurant in Zebulon, North Carolina, in a white box truck registered to RUTH NAVA-ABARCA for purposes of stealing used cooking oil. OSCAR UGALDE-ESCALANTE and JUAN DE LA CRUZ-GONZALEZ stole the used cooking oil using a pump, hoses, and storage containers.
3. On or about January 8, 2015, ERIC EVO and RYAN MERCADO-RODRIGUEZ traveled to Hardee's, Mayflower Seafood, and Peking Palace restaurants in Rocky Mount, North Carolina, in a white box truck, registered to ERIC EVO at TORIBIO ESCALANTE-CAMPOS's address, for purposes of stealing used cooking oil. ERIC EVO and RYAN MERCADO-RODRIGUEZ stole the used cooking oil using a pump, hoses, and storage containers.
4. On or about February 4, 2015, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," registered Articles of Incorporation with the North Carolina Secretary of State for the business "Environmental Services Millennium, Corp."

SALVADOR IBARRA-ESCALANTE was listed as the initial registered agent and the corporate address was listed as 4162 U.S. Highway 15, FF, Oxford, North Carolina.

5. On or about March 13, 2015, RUTH NAVA-ABARCA, doing business as "Sin Services," opened a Bank of America business account using 4162 US Highway 15S, FF, Oxford, North Carolina, as a business address.

6. On or about May 31, 2015, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and JAIME LABRA-TOVAR traveled in a white box truck registered to RUTH NAVA-ABARCA to the Texas Steakhouse, El Tapatio, Mario's Pizza, La Perla Tapatia, and the Habachi Grill and Buffet, all in Rocky Mount, North Carolina, for purposes of stealing used cooking oil. SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and JAIME LABRA-TOVAR stole the used cooking oil using a pump, hoses, and tote tanks.

7. On or about August 14, 2015, FLORENTINO VALENCIA-TEPOZ registered Articles of Incorporation with the North Carolina Secretary of State for the business "Clean Recovery, Inc." FLORENTINO VALENCIA-TEPOZ was listed as the registered agent in Durham, North Carolina.

8. On or about November 15, 2015, HASAN OZVATAN and JAIME LABRA-TOVAR traveled to JJ's Fish & Chicken in Henderson, North Carolina, in a box truck registered to RUTH NAVA-ABARCA, for purposes of stealing used cooking oil. HASAN OZVATAN and JAIME LABRA-TOVAR stole the used cooking oil using a pump, hoses, and tote tanks.

9. On or about January 3, 2016, TORIBIO ESCALANTE-CAMPOS and JUAN LOPEZ-POSADA traveled to the Dairy Queen restaurant in Spotsylvania, Virginia, in a white box registered to ERIC EVO at TORIBIO ESCALANTE-CAMPOS's address, for purposes of stealing used cooking oil. TORIBIO ESCALANTE-CAMPOS and JUAN LOPEZ-POSADA used a crow bar to break into the restaurant's container, plugged a hose, and pumped the used cooking oil from the restaurant's container into their tote tank in the white box truck.

10. From on or about February 1, 2016, to December 29, 2016, RUTH NAVA-ABARCA, doing business as "Sin Services," issued 44 checks to "Clean Recovery, Inc." in the amount of \$181,125.

11. On or about February 23, 2016, OSCAR UGALDE-ESCALANTE and MIGUEL GUTIERREZ traveled to What A Burger restaurant in Kannapolis, North Carolina, in a white box truck registered to RUTH NAVA-ABARCA for purposes of stealing used cooking oil. OSCAR UGALDE-ESCALANTE and MIGUEL GUTIERREZ stole the used cooking oil.

12. On or about February 23, 2016, RUTH NAVA-ABARCA issued a check from the business account of "Sin Services" in the amount of \$750.00. The memo line stated "payment of bail bond."

13. On or about April 22, 2016, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and RUTH NAVA-ABARCA off-loaded stolen used cooking oil from two white box trucks registered to RUTH NAVA-ABARCA to a storage warehouse in Durham, North Carolina, and then from the warehouse to a tanker truck

driven by an individual with initials T.M. The tanker truck containing the stolen used cooking oil crossed into to Virginia destined to Garden State Green Energy, Inc. in New Jersey.

14. On or about April 24, 2016, Garden State Green Energy, Inc., located in New Jersey, issued a check payable to "Sin Services" for \$2,228.89 in receipt of 6,236 gallons of used cooking oil.

15. On or about June 17, 2016, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and JAIME LABRA-TOVAR off-loaded stolen used cooking oil from a pick-up truck registered to HASAN OZVATAN to a storage warehouse in Durham, North Carolina, and then from the warehouse to a tanker truck driven by an individual with initials T.M.

16. On or about June 21, 2016, SAMUEL CRUZ and EMILIO GOMEZ-GONZALEZ traveled to Elizabeth's Pizza, Wendy's, and Pizza Hut, all in Greensboro, North Carolina, in a white box truck registered to an individual with initials K.B., for purposes of stealing used cooking oil. SAMUEL CRUZ and EMILIO GOMEZ-GONZALEZ stole the used cooking oil.

17. On or about July 24, 2016, HASAN OZVATAN and JAIME LABRA-TOVAR traveled to JJ's Fish and Chicken, in Henderson, North Carolina, for purposes of stealing used cooking oil in a white box truck registered to RUTH NAVA-ABARCA. HASAN OZVATAN and JAIME LABRA-TOVAR stole the used cooking oil.

18. On or about July 25, 2016, RUTH NAVA-ABARCA issued check # 1111 from the business account of "Sin Services" to Angel's Bail Bonds. The memo line stated "Bail bonding Hasan O."

19. From on or about January 1, 2017, through September 30, 2017, "Clean Recovery, Inc." received 55 checks issued from "Sin Services" in the amount of \$214,390.

20. On or about January 17, 2017, RUTH NAVA-ABARCA registered Articles of Incorporation with the North Carolina Secretary of State for the business "Bio Recycling Services Co." RUTH NAVA-ABARCA was listed as the registered agent and president. The corporate office was listed as 4162 U.S. Highway 15S, EE, Oxford, North Carolina.

21. On or about February 27, 2017, Garden State Green Energy, Inc., located in New Jersey, issued a check payable to "Sin Services" for \$4,000 as a deposit for the delivery of used cooking oil.

22. On or about March 2, 2017, GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," and RENE ESPINOZA-TORRES traveled to the Wing Stop restaurant in Knoxville, Tennessee, for purposes of stealing used cooking oil in a white box truck registered to GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo." GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," and RENE ESPINOZA-TORRES stole the used cooking oil.

23. On or about March 7, 2017, Garden State Green Energy, Inc., located in New Jersey, issued a check payable to "Sin Services" for \$2,917 in receipt of 6,107 gallons of used cooking oil from Tennessee.

24. On or about July 17, 2017, SALVADOR IBARRA ESCALANTE, also known as "Billy Escalante," uploaded used cooking oil from the storage warehouse to a tanker truck driven by an individual with initials T.M.

25. On or about August 1, 2017, JUAN MALDONADO-HERNANDEZ and GEORGE LUIS MORALES traveled to Mebane, North Carolina, in a box truck registered to SAMUEL CRUZ, for purposes of stealing used cooking oil from Stir King, Sake Japanese House, and Bo Jangles Famous Chicken n' Biscuit. JUAN MALDONADO-HERNANDEZ and GEORGE LUIS MORALES stole the used cooking oil.

26. On or about August 2, 2017, GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," and SAMUEL CRUZ stole used cooking oil from fourteen (14) businesses located in Durham, Cary, and Apex, North Carolina, using a box truck registered to GREGORIO VAZQUEZ-CASTILLO.

27. On or about August 2, 2017, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," unloaded used stolen cooking oil into the storage warehouse in Durham, North Carolina, from a white box truck registered to GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo."

28. On or about August 2, 2017, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and RUTH NAVA-ABARCA off-loaded stolen used cooking oil from a storage warehouse in Durham, North Carolina, to a tanker truck driven by a person unknown to the Grand Jury. The tanker truck containing the stolen used cooking oil crossed into Virginia and destined for New Jersey.

29. On or about September 13, 2017, FLORENTINO VALENCIA-TEPOZ off-loaded used cooking oil from a white box truck registered to GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," into the storage warehouse in Durham, North Carolina.

30. On or about September 18, 2017, FLORENTINO VALENCIA-TEPOZ off-loaded used cooking oil from a white box truck registered to GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," into the storage warehouse in Durham, North Carolina.

31. On or about September 19, 2017, FLORENTINO VALENCIA-TEPOZ, and an individual unknown to the Grand Jury, off-loaded hoses and a pump from a white truck registered to SAMUEL CRUZ into the storage warehouse in Durham, North Carolina.

32. On or about September 20, 2017, FLORENTINO VALENCIA-TEPOZ off-loaded hoses from a white box truck registered to SAMUEL CRUZ into the storage warehouse in Durham, North Carolina.

33. On or about September 20, 2017, RUTH NAVA-ABARCA and an individual unknown to the Grand Jury off-loaded tote tanks into the storage warehouse. On the same date, a tanker truck from Garden State Green Energy, Inc. arrived. RUTH NAVA-ABARCA and SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," uploaded stolen used cooking oil into the tanker truck.

34. On or about September 24, 2017, FLORENTINO VALENCIA-TEPOZ off-loaded stolen used cooking oil from a white box truck registered to SAMUEL CRUZ into the storage warehouse in Durham, North Carolina.

35. On or about September 25, 2017, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and RUTH NAVA-ABARCA uploaded stolen used cooking oil from the storage warehouse in Durham, North Carolina, to a tanker truck registered to Garden State Green Energy, Inc. driven by a person unknown to the Grand Jury.

36. On or about December 24, 2017, JUAN MALDONADO-HERNANDEZ and GEORGE LUIS MORALES traveled to Grill 46 restaurant in Durham, North Carolina, in a white box truck registered to GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," for purposes of stealing used cooking oil. JUAN MALDONADO-HERNANDEZ and GEORGE LUIS MORALES pried open the restaurant's container and used a pump and a hose to transfer the used cooking oil to their tote tanks.

37. On or about April 2, 2018, ALVARO MENDEZ-FLORES traveled to the Silverado Grill in Annandale, Virginia, for purposes of stealing used cooking oil in a white box truck registered to ALVARO MENDEZ-FLORES to an address shared with TORIBIO ESCALANTE-CAMPOS. ALVARO MENDEZ-FLORES pried open the restaurant's container and used a pump and a hose to transfer the used cooking oil to his tote tanks.

38. On or about June 7, 2018, KELVIN FE ARELLANO-VALENCIA and SAMUEL CRUZ traveled to Raleigh, North Carolina, in a white box truck registered to SAMUEL CRUZ, for purposes of stealing used cooking oil. KELVIN FE ARELLANO-

VALENCIA and SAMUEL CRUZ pried or opened containers from six (6) restaurants and used a pump and a hose to transfer the used cooking oil to their tote tanks within the box truck.

39. On or about July 18, 2018, ALVARO MENDEZ-FLORES and an individual unknown to the Grand Jury traveled to Annandale, Virginia, for purposes of stealing used cooking oil from Silverado Grill in a 1994 Isuzu box truck registered to ALVARO MENDEZ-FLORES. ALVARO MENDEZ-FLORES and an individual unknown to the Grand Jury stole approximately 50 gallons of used cooking oil.

40. On or about March 28, 2019, ALVARO MENDEZ-FLORES traveled to Annandale, Virginia, for purposes of stealing used cooking oil. ALVARO MENDEZ-FLORES stole approximately 800-900 gallons of used cooking oil from approximately 7-8 restaurants.

41. On or about April 4, 2019, ALVARO MENDEZ-FLORES traveled to Annandale, Virginia, for purposes of stealing used cooking oil from Burger King. ALVARO MENDEZ-FLORES stole approximately 150-200 gallons of used cooking oil.

42. On or about May 8, 2019, DEMETRIO VALENCIA-FLORES and an individual unknown to the Grand Jury uploaded stolen used cooking oil from the storage warehouse in Durham, North Carolina, to a tanker truck registered to Garden State Green Energy, Inc. driven by a person unknown to the Grand Jury.

43. On or about May 10, 2019, DEMETRIO VALENCIA-FLORES and FLORENTINO VALENCIA-TEPOZ uploaded stolen used cooking oil from the storage warehouse in Durham, North Carolina, to a tanker truck registered to Garden State

Green Energy, Inc. driven by a person unknown to the Grand Jury. The tanker truck containing the stolen used cooking oil crossed into Virginia destined to Garden State Green Energy, Inc. in New Jersey.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

On some date prior to October 14, 2014, the exact date being unknown to the Grand Jury, and continuing thereafter until on or about May 29, 2019, in the Eastern District of North Carolina, and elsewhere, SALVADOR IBARRA ESCALANTE, also known as "Billy Escalante," RUTH NAVA-ABARCA, FLORENTINO VALENCIA-TEPOZ, GREGORIO VAZQUEZ-CASTILLO, also known as "Jaime Castillo," JUAN DE LA CRUZ-GONZALEZ, SAMUEL CRUZ, MIGUEL GUTIERREZ, JAIME LABRATOVAR, OSCAR UGALDE-ESCALANTE, HASAN OZVATAN, EMILIO GOMEZ-GONZALEZ, JUAN MALDONADO-HERNANDEZ, GEORGE LUIS MORALES, TORIBIO ESCALANTE-CAMPOS, ERIC EVO, RYAN MERCADO-RODRIGUEZ, JUAN LOPEZ-POSADA, RENE ESPINOZA-TORRES, KELVIN FE ARELLANO-VALENCIA, DEMETRIO VALENCIA-FLORES, and ALVARO MENDEZ-FLORES, defendants herein, and others both known and unknown to the Grand Jury, did knowingly combine, conspire, confederate and agree to commit offenses against the United States in violation of Title 18, United States Code, Section 1956, to wit:

- (a) to knowingly conduct and attempt to conduct financial transactions affecting interstate and foreign commerce, which involved the proceeds of a specified unlawful activity, that is, interstate transportation of stolen goods of a value

exceeding \$5,000, with the intent to promote the carrying on of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(A)(i); and

(b) to knowingly conduct and attempt to conduct financial transactions affecting interstate commerce and foreign commerce, which transactions involved the proceeds of specified unlawful activity, that is, interstate transportation of stolen goods of a value exceeding \$5,000, knowing that the transactions were designed in whole or in part to conceal and disguise the nature, location, source, ownership and control of the proceeds of specified unlawful activity, and that while conducting and attempting to conduct such financial transactions, knew that the property involved in the financial transactions represented the proceeds of some form of unlawful activity, in violation of Title 18, United States Code, Section 1956(a)(1)(B)(i).

All in violation of Title 18, United States Code, Section 1956(h).

COUNT THREE

On or about May 6, 2016, in the Eastern District of North Carolina, and elsewhere, the defendant, EMILIO GOMEZ-GONZALEZ, an alien who was within one or more categories defined in Title 8, United States Code, Section 1303(a), required to apply for registration and be fingerprinted in the United States, did willfully fail and refuse to apply for registration and be fingerprinted, in violation of Title 8, United States

Code, Section 1306(a).

COUNT FOUR

On some date prior to October 14, 2014, the exact date being unknown to the Grand Jury, and continuing thereafter until on or about June 1, 2018, in the Eastern District of North Carolina, and elsewhere, the defendant, RUTH NAVA-ABARCA, did encourage and induce aliens, namely, Juan De La Cruz-Gonzalez, Salvador Ibarra-Escalante, also known as "Billy Escalante," and Oscar Ugalde-Escalante, to come to, enter, and reside in the United States, knowing and in reckless disregard of the fact that such coming to, entry and residence was in violation of law, in violation of Title 8, United States Code, Section 1324(a)(1)(A)(iv).

COUNT FIVE

On some date prior to October 14, 2014, the exact date being unknown to the Grand Jury, and continuing thereafter until on or about May 29, 2019, in the Eastern District of North Carolina, and elsewhere, the defendant, FLORENTINO VALENCIA-TEPOZ, did encourage and induce aliens, namely, Rene Espinoza-Torres, Emilio Gomez-Gonzalez, Demetrio Valencia-Flores, and Gregorio Vazquez-Castillo, to come to, enter, and reside in the United States, knowing and in reckless disregard of the fact that such coming to, entry and residence was in violation of law, in violation of Title 8, United States Code, Section 1324(a)(1)(A)(iv).

COUNT SIX

On some date prior to October 14, 2014, the exact date being unknown to the Grand Jury, and continuing thereafter until on or about May 29, 2019, in the Eastern

District of North Carolina, and elsewhere, the defendant, TORIBIO ESCALANTE-CAMPOS, did encourage and induce aliens, namely, Juan Lopez-Posada, Oscar Ugalde-Escalante, and Alvaro Mendez-Flores, to come to, enter, and reside in the United States, knowing and in reckless disregard of the fact that such coming to, entry and residence was in violation of law, in violation of Title 8, United States Code, Section 1324(a)(1)(A)(iv).

COUNT SEVEN

On or about February 4, 2015, in the Eastern District of North Carolina, and elsewhere, the defendant, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," knowingly established a commercial enterprise for the purpose of evading any provisions of the immigration laws, that is, defendant IBARRA-ESCALANTE registered Articles of Incorporation with the North Carolina Secretary of State for the business "Environmental Service Millennium Corp.," and employed certain aliens, namely, Juan De La Cruz-Gonzalez, Salvador Ibarra-Escalante, also known as "Billy Escalante," and Oscar Ugalde-Escalante, knowing such aliens were then not authorized to be employed in the United States, in violation of Title 8, United States Code, Section 1325(d).

COUNT EIGHT

On or about August 14, 2015, in the Eastern District of North Carolina, and elsewhere, the defendant, FLORENTINO VALENCIA-TEPOZ, knowingly established a commercial enterprise for the purpose of evading any provisions of the immigration laws, that is, defendant VALENCIA-TEPOZ registered Articles of Incorporation with

the North Carolina Secretary of State for the business "Clean Recovery, Inc." and employed certain aliens, namely, Rene Espinoza-Torres, Emilio Gomez-Gonzalez, Demetrio Valencia-Flores, and Gregorio Vazquez-Castillo, knowing such aliens were then not authorized to be employed in the United States, in violation of Title 8, United States Code, Section 1325(d).

COUNT NINE

On or about January 17, 2017, in the Eastern District of North Carolina, and elsewhere, the defendant, RUTH NAVA-ABARCA, knowingly established a commercial enterprise for the purpose of evading any provisions of the immigration laws, that is, defendant NAVA-ABARCA registered Articles of Incorporation with the North Carolina Secretary of State for the business "Bio Recycling Services, Co." and employed certain aliens, namely, Juan De La Cruz-Gonzalez, Salvador Ibarra-Escalante, also known as "Billy Escalante," and Oscar Ugalde-Escalante, knowing such aliens were then not authorized to be employed in the United States, in violation of Title 8, United States Code, Section 1325(d).

COUNT TEN

From on or about May 25, 2017, and continuing thereafter until on or about July 24, 2017, in the Eastern District of North Carolina, and elsewhere, the defendants, GREGORIO VAZQUEZ-CASTILLO, FLORENTINO VALENCIA-TEPOZ, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and RUTH NAVA-ABARCA, knowingly established a commercial enterprise for the purpose of evading any provisions of the immigration laws, that is, defendants VAZQUEZ-CASTILLO,

VALENCIA-TEPOZ, IBARRA-ESCALANTE, and RUTH NAVA-ABARCA, purchased a nightclub, registered Articles of Incorporation with the North Carolina Secretary of State for "La Maraka Night Club, Inc.," and employed certain aliens, namely, Gregorio Vazquez-Castillo, Florentino Valencia-Tepoz, and Demetrio Valencia-Flores, knowing such aliens were then not authorized to be employed in the United States, in violation of Title 8, United States Code, Section 1325(d).

COUNT ELEVEN

From on or about May 25, 2017, and continuing thereafter until on or about May 29, 2019, in the Eastern District of North Carolina, and elsewhere, the defendants, GREGORIO VAZQUEZ-CASTILLO, FLORENTINO VALENCIA-TEPOZ, SALVADOR IBARRA-ESCALANTE, also known as "Billy Escalante," and RUTH NAVA-ABARCA, did encourage and induce an alien, namely, Demetrio Valencia-Flores, to come to, enter, and reside in the United States, knowing and in reckless disregard of the fact that such coming to, entry and residence was in violation of law, in violation of Title 8, United States Code, Section 1324(a)(1)(A)(iv).

[remainder of page intentionally left blank]

SENTENCING ALLEGATIONS

With respect to Count One of the Superseding Indictment:

1. For purposes of the United States Sentencing Guidelines (U.S.S.G.), §2B1.1(b)(1)(J), the offenses involved loss exceeding \$3,900,000.00.
2. For purposes of U.S.S.G. §2B1.1(b)(4), the offense involved stolen property and the defendants were in the business of receiving and selling stolen property.

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FORFEITURE ALLEGATION

Each named defendant is given notice that all of the defendant's interest in all property specified herein is subject to forfeiture.

Upon conviction of the offense set forth in Count One, the defendant shall forfeit to the United States, pursuant to Title 18, United States Code, Section 981(a)(1)(C), as made applicable by Title 28, United States Code, Section 2461(c), any property, which constitutes or is derived from proceeds traceable to the said offense.

Upon conviction of the offense set forth in Count Two, the defendant shall forfeit to the United States, pursuant to Title 18 United States Code, Section 982(a)(1), any property, real or personal, involved in such offense, or any property traceable to such property.

Upon conviction of one or more of the offenses set forth in Counts Four through Six and Eleven the defendant(s) shall forfeit to the United States, pursuant to Title 18, United States Code, Section 982(a)(6) – (1) any conveyance, including any vessel, vehicle, or aircraft used in the commission of the said offense(s); and (2) any property, real or personal, that constitutes, or is derived from or traceable to the proceeds obtained directly or indirectly from the commission of the said offense(s), or that was used to facilitate, or intended to be used to facilitate, the commission of the said offense(s).

The forfeitable property includes, but is not limited to, the following:

(a) 2010 Chevrolet Express Cutaway Truck, VIN: 1GB6G3BG9A1142915, North Carolina License Plate JP5005 registered in the name of SAMUEL CRUZ;

(b) 2011 Chevrolet Express Cutaway Truck, VIN: 1GB3G3CG8B1145971, North Carolina License Plate HC8280 registered in the name of GREGORIO VASQUEZ-CASTILLO;

(c) 2011 Ford Econoline, E350 Truck, white in color, VIN: 1FDWE3FL1BDA57765, North Carolina License Plate Number HP6519, registered in the name of GREGORIO VASQUEZ-CASTILLO;

(d) 2008 Ford truck, VIN# 1FDWE35L38DA82953, North Carolina License Plate JK4077, registered to CLEAN RECOVERY INC;

(e) 2008 Toyota Tundra pickup, VIN: 5TBBV54198S518443, North Carolina License Plate Number FEP4720, registered in the name of BIO RECYCLING SERVICES CO;

(f) 2004 Chevrolet Express Cutaway Truck, white in color, VIN: 1GDHG31U641220997, North Carolina License Plate Number JF7515, registered in the name of BIO RECYCLING SERVICES CO;

(g) 2007 Mitsubishi Sterling box truck, VIN# JLSBBG1S87K011671, North Carolina License Plate JL6704, registered to CLEAN RECOVERY INC;

(h) Box truck with white cab and yellow cargo area, DOT# 2913844, No license plate, registered to TRAP BOYS INC;

- (i) 1996 Ford box truck, VIN: 1FDKF37G6TEB00585, North Carolina License Plate JC6221, registered in the name of Lidia Aceituno;
- (j) 2015 Nissan Rogue, VIN: 5N1AT2MV3FC757765, New York License Plate HXK8608, registered in the name of Reyna Ramirez;
- (k) 2007 Honda Odyssey van, VIN: 5FNRL38267B020688, North Carolina License Plate CFL5482, registered in the name of Lidia Aceituno;
- (l) 2015 Ford Mustang, VIN: 1FA6P8TH0F5320863, North Carolina License Plate Number EKJ4006, registered in the name of GREGORIO VASQUEZ-CASTILLO;
- (m) 2004 Acura TL, VIN: 19UUA66254A042854, North Carolina License Plate Number ECS8655, registered in the name of GREGORIO VASQUEZ-CASTILLO;
- (n) All funds held in Bank of America Account Number: XXXX XXXX 2596;
- (o) All funds held in Bank of America Account Number: XXXX XXXX 0876;
and
- (p) All funds held in Wells Fargo Bank Account Number: XXXXXX9602.

If any of the above-described forfeitable property, as a result of any act or omission of the defendant--

- (1) cannot be located upon the exercise of due diligence;
- (2) has been transferred or sold to, or deposited with, a third person;
- (3) has been placed beyond the jurisdiction of the Court;

- (4) has been substantially diminished in value; or
- (5) has been commingled with other property which cannot be subdivided without difficulty;

it is the intent of the United States, pursuant to Title 21, United States Code, Section 853(p), to seek forfeiture of any other property of said defendant up to the value of the above forfeitable property.

A TRUE BILL

REDACTED VERSION

Pursuant to the E-Government Act and the federal rules, the unredacted version of this document has been filed under seal.

6/18/19
DATE

ROBERT J. HIGDON, JR.
United States Attorney

Sebastian Kielmanovich
SEBASTIAN KIELMANOVICH
Assistant United States Attorney